

Message Text

CONFIDENTIAL

PAGE 01 STATE 089102

62

ORIGIN EUR-04

INFO OCT-01 ISO-00 /005 R

66610

DRAFTED BY: EUR/EE/WSSHEPARD :MJ

APPROVED BY: EUR/EE;RBHOUSTON

EUR/EE-TBARTHELEMY

----- 130446

R 011723Z MAY 74

FM SECSTATE WASHDC

TO AMCONSUL MUNICH

C O N F I D E N T I A L STATE 089102

FOLLOWING REPEAT BUDAPEST 1035 ACTION SECSTATE 27 APR

QUOTE

C O N F I D E N T I U L BUDAPEST 1035

E.O. 11652: GDS

TAGS: PFOR, SCUL, EGEN, HU

SUBJECT: FONMIN PUJA'S VIEWS ON CENTRAL COMMITTEE PERSONNEL
AND POLICY DECISIONS

1. SHORTLY PRIOR TO HIS MUIDEN SPEECH AS FONMIN IN PARLIAMENT, FONMIN PUJA RECEIVED ME IN RESPONSE TO MY EARLIER REQUEST TO DISCUSS IMPLICATIONS OF RECENT CC DECISIONS. IN ADDITION TO THAT SUBJECT, COVERED IN THIS TEL, CONVERSATION ALSO TOUCHED ON MFN, VIETNAM AND DETENTE, BEING REPORTED IN THREE SEPARATE TELS.

2. CC DECISIONS ON CULTURAL AND ECONOMIC POLICY. I OPENED CONVERSATION ON CC DECISIONS BY SAYING THAT AS RESULT CONVERSATION DURING ZARB MISSION AND KADAR'S SPEECH I WAS LESS CONCERNED ABOUT POSSIBLE IMPLICATIONS OF CC DECISIONS ON OUR ECONOMIC RELATIONS THAN AT FIRST, BUT THAT I WOULD APPRECIATE ANY OBSERVATIONS HE CARED TO MAKE.

CONFIDENTIAL

CONFIDENTIAL

PAGE 02 STATE 089102

3. IN RESPONSE, PUJA FIRST REITERATED THAT THEIR ECONOMIC

POLICY HAD NOT CHANGED. BY THIS HE SAID HE MEANT A POLICY OF AN EXPANDING ECONOMY, INCREASED CONSUMER WELFARE AND MODERNIZATION OF THEIR ECONOMY TO COMPETE IN THE WORLD MARKET. THAT POLICY WAS CONSISTENT AND WOULD NOT CHANGE.

4. PUJA SAID THE NEW ECONOMIC MECHANISM WAS A MEANS TO IMPLEMENT THAT POLICY AND THIS ALSO WAS NOT CHANGED. HE SAID NOBODY WANTED TO CHANGE THE NEM AND IT COULD NOT BE CHANGED EVEN IF THEY WANTED TO BECAUSE "THE OUTMODED ECONOMIC MEASURES" WHICH WERE ABANDONED IN 1968 ARE AS OUTMODED TODAY AND COULD NOT BE RETURNED TO. HE REITERATED THE VIEW THAT SOME ADMINISTRATIVE MODIFICATIONS WOULD BE NECESSARY TO MAKE THE NEM MORE SUCCESSFUL IN IMPLEMENTATION. BUT HE SAID THE FUNDAMENTAL FEATURES--THE GREATER PLAY OF MARKET FORCES, MANAGERIAL DECENTRALIZATION AND GREATER ROLE FOR ENTERPRISE MANAGERS IN INVESTMENT DECISIONS--WOULD NOT BE ALTERED.

5. PUJA SAID THAT NYERS WOULD HIMSELF OBJECT TO WESTERN DESCRIPTION OF HIM AS FATHER OF NEM, BECAUSE THE CENTRAL COMMITTEE WAS THE FATHER. WESTERN PRESS IS MISTAKEN IN INTERPRETING PERSONNEL CHANGES AS END OF NEM. KADAR'S SPEECH AT NYIR-EGYHAZY SHOULD BE INTERPRETED LITERALLY WHEN HE SAYS THIS WAS PERSONNEL CHANGE AND NOT POLICY CHANGE. PERSONNEL CHANGES HAD TAKEN PLACE BEFORE WITHOUT POLICY CHANGES, "SO YOU CAN BELIEVE THIS IS CASE NOW AS WELL". PUJA SAID WESTERNERS OVERLOOKED CENTRAL POINT, WHICH WAS THAT KADAR IS STILL THERE AND SO IS FOCK.

6. I ASKED WHETHER DISCUSSIONS OF NEXT FIVE YEAR PLAN WERE SUFFICIENTLY ADVANCED THAT HE COULD SAY THERE WOULD ALSO BE NO CHANGE IN CONNECTION WITH IT, NOTING THIS WAS IMPORTANT IN CONNECTION WITH OUR ADVICE TO US BUSINESSMEN. HE REPLIED THIS WAS ABSOLUTELY CORRECT. (HUSZAR AND BIRO MADE SIMILAR POINT DURING ZARB MISSION).

7. NOTING THAT QJA HAD MENTIONED ACZEL'S SHIFT DURING ECONOMIC DISCUSSION, I SAID I WAS LESS CLEAR ABOUT WHAT TO EXPECT IN CULTURAL POLICY. HUNGARY OBVIOUSLY WAS INCREASING ITS IDEOLOGICAL EFFORTS (PUJA ADDED "AND PROPAGANDA") BUT I WONDERED WHETHER THIS MEANT WE HAD TO EXPECT A SLOWDOWN IN

CONFIDENTIAL

PAGE 03 STATE 089102

THE IMPROVING CULTURAL AND INFORMATIONAL RELATIONS WITH THE WEST AND US IN PARTICULAR.

8. PUJA SAID THAT CONTINUITY AND UNCHANGED POLICY ARE CERTAIN IN THIS FIELD AS WELL. HE SAID ACZEL WOULD CONTINUE TO BE INVOLVED IN CULTURAL AFFAIRS. IN FACT HE SAID THAT FROM THE STANDPOINT OF IMPLEMENTATION HE WOULD BE INVOLVED MORE THAN EVER SINCE HE WILL NOW, HAVE DIRECT SUPERVISION OVER

THE MINISTRY OF EDUCATION AND OTHER CULTURAL ORGANIZATIONS.
FURTHERMORE MIKLOS OVARI, WHO TOOK ACZEL'S PLACE IN CC,
WAS FOR YEARS VICE CHAIRMAN AND LATER CHAIRMAN OF CC'S
WORKING GROUP ON CULTURAL POLICY AND THUS "GREW UP WITH THIS
CULTURAL POLICY AND WITH ACZEL". I ASKED WHETHER I COULD
THEN REPORT TO WASHINGTON THAT CONTINUED PROGRESS IN THE
THOUGHTFUL DEVELOPMENT OF OUR CULTURAL RELATIONS COULD
BE EXPECTED. HE SAID THEIR POLICY HAD NOT CHANGED
AND THAT PROGRESS COULD BE EXPECTED. HE ADDED THAT THEY CONDUCTED
SUCH RELATIONS "ACCORDING TO THEIR COMMUNIST PRINCIPLES"
AND BELIEVED IN EXCHANGE OF "TRUE CULTURAL VALUES" AND
NOT IN "CULTURAL TRASH" ON EITHER SIDE, BUT THAT GOH WAS
PREPARED TO PROCEED IN THAT DIRECTION.

9. COMMENT: HE DID NOT MENTION STATUS OF THE LATEST DRAFT
OF THE CULTURAL AGREEMENT, WHICH IS NOW IN THE FONOFF,
AND IN LIGHT OF DEPT'S MOST RECENT TEL ON THIS SUBJECT,
NEITHER DID I.
PEDERSEN UNQUOTE RUSH

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: ECONOMIC COOPERATION, SPEECHES, FOREIGN POLICY POSITION
Control Number: n/a
Copy: SINGLE
Draft Date: 01 MAY 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: garlanwa
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974STATE089102
Document Source: CORE
Document Unique ID: 00
Drafter: EUR/EE/WSSHEPARD :MJ
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D740104-0407
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740582/aaaacvtz.tel
Line Count: 134
Locator: TEXT ON-LINE, ON MICROFILM
Office: ORIGIN EUR
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators:
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: garlanwa
Review Comment: n/a
Review Content Flags:
Review Date: 09 MAY 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <09 MAY 2002 by ifshinsr>; APPROVED <14 JAN 2003 by garlanwa>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: FONMIN PUJA'S VIEWS ON CENTRAL COMMITTEE PERSONNEL AND POLICY DECISIONS
TAGS: PFOR, SCUL, EGEN, HU, (PUJA)
To: MUNICH
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005